

About this report

The Co-operative Bank's Ethical Consumerism Report has been produced since 1999 and acts as a barometer of ethical spending in the UK.

In this report, ethical consumerism is defined as personal allocation of funds, including consumption and investment, where choice has been informed by a particular issue – be it human rights, social justice, the environment or animal welfare.

Further information

The Ethical Consumerism Report 2010 was produced by The Co-operative Group, with additional research by the Ethical Consumer Research Association (ECRA).

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Previous Ethical Consumerism Reports are available at:
www.goodwithmoney.co.uk/ethicalconsumerismreport

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The GfK logo, consisting of the letters 'GfK' in white on a black square background.

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ETHICAL CONSUMERISM REPORT 2011

The **co-operative**
good for everyone

JOIN THE
REVOLUTION

Foreword

Enlightened businesses force through change and ensure ethical sales continue to grow

Retailers and producers who have continued to convert to Fairtrade and to sell sustainable produce during the downturn are helping to maintain ethical sales growth. This report, which has been tracking shopping trends for more than a decade, has found that despite the economic downturn, sales of ethical goods and services have remained resilient, going up almost 9% last year from £43bn to £46.8bn.

Acting as a barometer of green spending since 1999 when annual ethical sales were just £13.5bn, the report analyses sales data for various sectors including food, household goods, eco-travel and ethical finance.

In 2010, expenditure on ethical food and drink increased 5.1% to reach £6.6bn. Fairtrade food sales grew by 36% to reach £1.02bn, while sales of fish from sustainable sources grew 16.3%.

Sales of small scale micro-generation increased a massive 386% from £51m to £248m, green car sales were up 129% from £370m to £846m, expenditure on green funerals increased 34% from £5.1m to £6.9m.

Monies in ethical savings and investments grew 9.3% from £19.3bn to £21.1bn year on year. This included the emergence of peer-to-peer lending, whereby individuals can lend direct to micro-entrepreneurs in the developing world.

However, not all ethical expenditure increased. Sales of organic food were down 10% year on year at £1.53bn, which means it has decreased 23% since its peak of £1.99bn in 2008.

Intervention by enlightened businesses, together with regulatory intervention, is now driving ethical sales growth. During the downturn we've seen some of the biggest ever Fairtrade conversions, be it in chocolate or sugar, and business is beginning to respond to the challenge to provide consumers with more sustainable products and services such as fish, palm oil and soya.

Ethical consumers are still a vitally important barometer of change; however, the actions of progressive business are now a significant contributor to sales growth. At the same time, ethical expenditure remains relatively small when compared to overall spending. Ultimately, over and above the efforts of responsible business and ethical consumers, sustainable solutions require a government committed to long term intervention, such as an effective feed-in tariff programme, to maintain the economic viability of the micro-generation market.

Ethical consumerism's winners and losers through the downturn

Winners	Losers
Fairtrade	Organic food
Ethical money	Rechargeable batteries
Sustainable fish	Ethical clothing

Over **4,500** products
Fairtrade certified in
the UK by 2010

Key findings

Food and Drink

Overall spend on ethical food and drink was £6.6bn up 5.07%. Within this fairtrade sales increased 36% and alongside rainforest alliance, organics and ethical boycotts command over £1bn of the market. However, sales of organics continue to decline since its peak in 2008, down 10% in 2010. The next area for substantial growth appears to be in sustainable fish. As a nation fish consumption is increasing and within this sales of sustainable fish are £207m, up 16.3%.

Green Home

Whilst overall spend on home items has increased to £8.085bn, a number of areas, such as rechargeable batteries, appear to have been victims of the downturn; with sales down 17% to £34m. Spend on sustainable paper products was up 17% at £1.66bn and spend on green energy was up 15% to £352m.

Eco-travel and Transport

Surprisingly, consumers choosing to use public transport for ethical reasons has fallen back 7% to £521m. Sales of green cars have surged to £846m, more than double the 2009 value, and spend on bicycles is up to £698m.

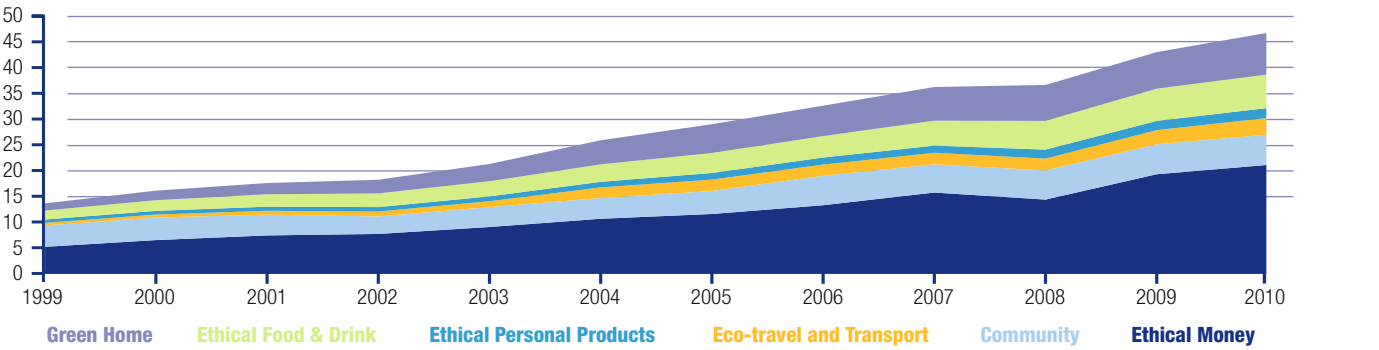
Ethical Personal Products and Community

Consumers spent £1.9bn on ethical personal products in 2010. This included £528m on cruelty-free cosmetics and £171m on ethical clothing, be it fair trade or organic. Charitable donations have remained stable during the downturn with consumers giving some £3.6bn to environmental, social and animal welfare causes.

Ethical Money

The value of money in ethical savings and investments increased by 9% in 2010 to £21.2bn. This includes £9bn in ethical bank deposits as well as £11.3bn in ethical investments. One of the emerging areas in 2010 was that of peer-to-peer lending wherein individuals make small loans direct to micro-entrepreneurs in the developing world.

Ethical spending in the UK 1999-2000, £bn



Ethical consumerism in the UK, 2000 – 2010

	2000	2009	2010	% Growth
Ethical Food & Drink	£m	£m	£m	2009-2010
Organic	605	1,704	1,527	-10.39%
Fairtrade	33	749	1,017	35.78%
Rainforest Alliance	-	1,076	1,198	11.34%
Free range eggs	182	448	483	7.70%
Free range poultry	44	174	174	0.00%
Farmers' markets	142	220	220	0.00%
Vegetarian products	479	549	541	-1.46%
Freedom foods	-	122	127	4.10%
Sustainable fish	-	178	207	16.29%
Food and drink boycotts	587	1,040	1,084	4.23%
Subtotal	2,072	6,260	6,578	5.07%

Green Home

Energy efficient electrical appliances	229	1,909	2,068	8.33%
Energy efficient boilers	214	2,005	2,332	16.31%
Micro-generation	-	51	248	386.27%
Green mortgage repayments	4	418	480	14.83%
Energy efficient light bulbs	12	40	44	10.00%
Ethical cleaning products	3	40	42	5.00%
Sustainable timber and paper	629	1,417	1,655	16.80%
Green energy	-	306	352	15.03%
Rechargeable batteries	5	41	34	-17.07%
Buying for reuse - household products	759	866	823	-4.97%
Green funerals	-	5	7	37.25%
Subtotal	1,855	7,098	8,085	13.90%

55%
purchased
a product
in 2010
based on a
company's
responsible
reputation

	2000	2009	2010	% Growth
Eco-travel and Transport	£m	£m	£m	2009-2010
Public transport	43	560	521	-6.96%
Responsible tour operators	73	111	105	-5.41%
Environmental tourist attractions	2	19	-	
Green cars	4	370	846	128.65%
Bicycles	348	665	698	4.96%
Travel boycotts	112	1,022	1,068	4.50%
Subtotal	582	2,747	3,238	17.87%

Ethical Personal Products

Ethical clothing	5	177	171	-3.39%
Ethical cosmetics	175	486	528	8.64%
Charity shops	141	340	350	2.94%
Buying for reuse - clothing	218	387	321	-17.05%
Clothing boycotts	174	399	556	39.35%
Real nappies	-	3	5	66.67%
Subtotal	713	1,792	1,931	7.76%

Community

Local shopping	1,620	2,233	2,330	4.34%
Charitable donations	2,764	3,594	3,554	-1.11%
Subtotal	4,384	5,827	5,884	0.98%

Ethical Money

Ethical savings and investment	6,296	18,618	20,343	9.27%
Credit unions	183	579	653	12.78%
Ethical shareholdings	4	78	70	-10.26%
Subtotal	6,483	19,275	21,066	9.29%

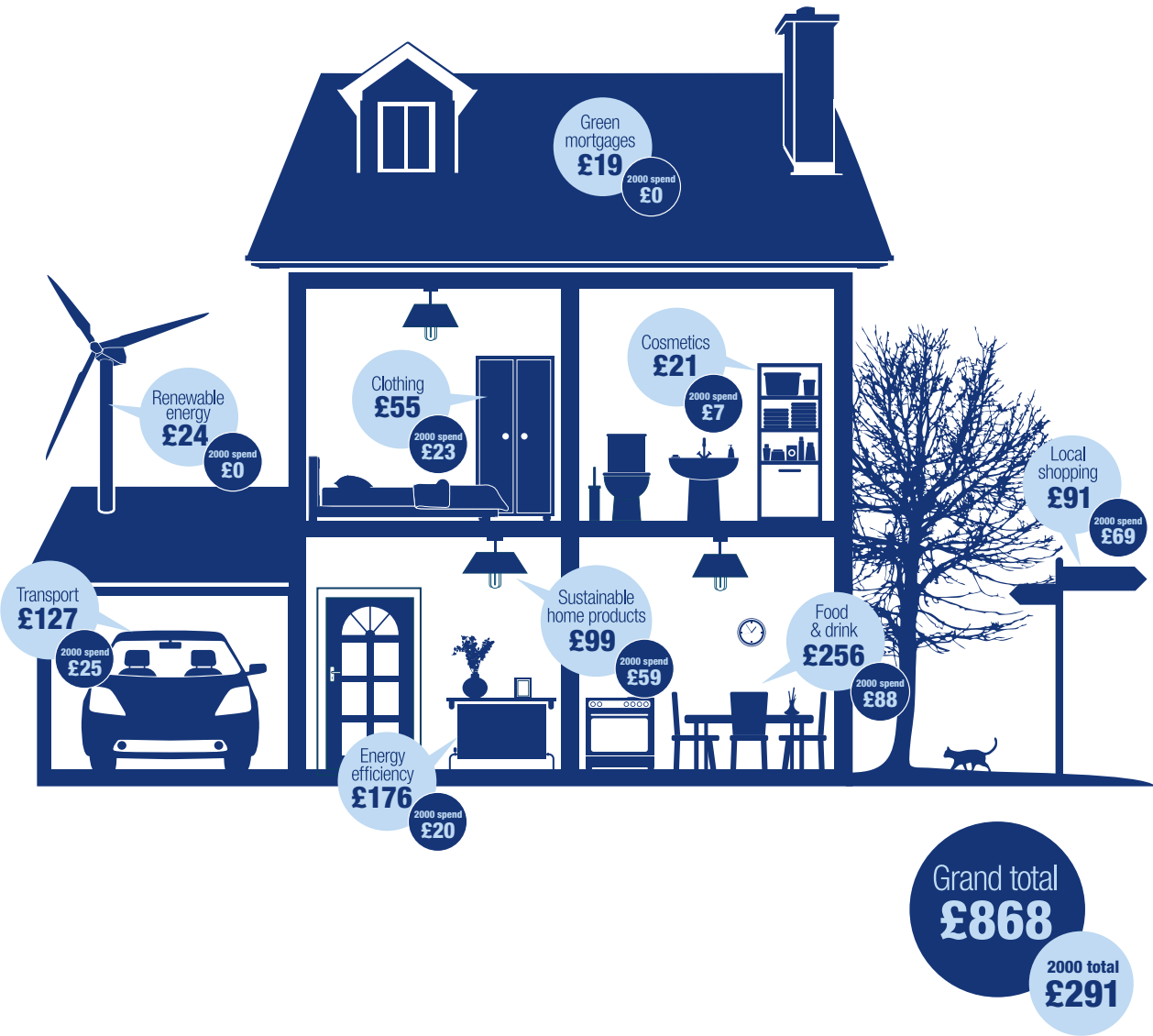
Grand Total	16,089	42,999	46,782	8.80%
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Over
2000
products
FSC certified
in the UK by
2010



Average spend per household

Average Ethical Spend per Household, £ per year, 2000 & 2010



Ethical Behaviours

% of people undertaking the following at least once during the year

